

Addendum No. 1
Craven County Audit Services RFQ
Craven County, NC

Questions & Answers

1. Are the control environments of both the TDA and Airport discretely presented component units the same as the County's?
 - a. The control environments are the same for the County and Airport. The County serves as primary accounting function for the Airport. The control environment for TDA is different due to outsourcing of accounting functions to a CPA.
2. What are the contributing factors for the delays in the audit report issuance for 2018 and 2019? Were they hurricane-related or are there other compounding issues that have delayed the reports? Does the County expect anything to cause the 2020 audit to be delayed?
 - a. The delay of issuance of 2018 audit report was a direct result of Hurricane Florence. The delay of issuance 2019 audit report can be attributed to the implementation of a new financial software and turnover within the Finance Department. Due to new capabilities of financial software the County expects the audit to be completed on a more timely basis from previous years.
3. Were there any Management Letter comments regarding internal controls issued by the auditors?
 - a. Yes
4. Has there been any recent turnover in the finance department?
 - a. In FY2020 the County has a new Assistant Finance Director.
5. How many adjusting journal entries are being posted for the 2019 audit?
 - a. No Audit adjustments were required for the 2019 audit.
6. Is the County open to remote auditing? For example, being on-site to review items that are in paper copy and for items that need to be discussed face to face and then working from the office on anything provided electronically.
 - a. The County has historically had both preliminary and fieldwork on-site to facilitate more effective responses between the audit staff and finance staff. The County is open to remote auditing if it proves to be more efficient completion of the audit along with providing savings to the County.
7. What date is a final trial balance or all adjusting entries from the preliminary trial balance expected to be provided each year?

- a. Preliminary trial balance will be provided the first week of August with most adjusting journal entries posted. All remaining final adjusting journal entries will be posted in August.
8. Does the County know of any significant new funds that will exist in FY 2020?
 - a. In FY2020 there are no new significant funds created.
9. Has the County had any or plan to have any significant debt issuances during FY 2020?
 - a. The County during FY2020 entered into a new installment financing agreement for Convention Center Upgrades. No other debt issuances occurred during FY2020.
10. Have there been any significant changes or does the County expect any significant changes to Federal and/or State Funding?
 - a. No significant changes to Federal or State Funding in FY2020, there is however potential for FEMA reimbursements.
11. What programs were audited as major programs for the single audit in 2019?
 - a.

Airport Improvement Project	CDFA 20.106
Medical Assistance Program	CDFA 93.778
Foster Car – Title IV-E	CDFA 93.658
1571 Administrative Cost – Crosscutting Requirements	
Supplemental Nutrition Assistance Program	CDFA 10.561
Temporary Assistance for Needy Families	CDFA 93.558
IV-D Child Support	CDFA 93.563
Children’s Health Insurance Program	CDFA 93.767
12. Has the County had any issues with its IT systems? Have there been any changes to the IT systems, or does the County plan to implement changes to the system in FY20?
 - a. No issues with current financial software that was implemented in April of 2019.
13. Has the County encountered any issues with the current auditor?
 - a. The County has had a longstanding relationship with the current Audit Firm. The County is looking to continue this type of relationship with the awarded Audit Firm.
14. Does the County have any concerns about switching to a new auditor?
 - a. The County has no concerns with contracting with a new Audit Firm for the completion of the audit. The County only wants to emphasize the importance of the timely submission of audit report.
15. What does the County value and strive for in its relationship with an auditor?
 - a. The County values timeliness and effectiveness of the audit staff collaborating with finance team to produce a sound financial report.

16. Please elaborate on your decision date for auditor selection. Do you have a specific deadline for this?
- a. The County plans to award the audit contract at the Board of Commissioners meeting on 4/20/20.
17. We noticed that the 2019 report is not yet online and the RFP refers us to the 2018 report.
- a. What is the cause of delay for the 2019 report?
 - i. See question 2
 - b. When is the 2019 report expected to be issued?
 - i. The report will be issued the week of March 23rd.
 - c. Can you provide a draft of the 2019 report at this time?
 - i. The County will provide a draft by email if requested.
18. Please elaborate on your background in governmental finance (previous and current). We are asking this due to the new yellow book standards.
- a. The County finance staff is comprised of experienced government finance professionals that have been trained to comply with GASB standards.
19. What is the reason for the County sending out an RFP for audit services this year?
- a. The County has been instructed by the board of commissioners along with management to send out an RFP for audit services. This request was done so the County can receive auditing services that add value to the service we provide as a local government.
20. How many firms was the RFP sent to this year?
- a. The RFP was posted online and made available for all audit firms that provide audit services for entities that are governed by the LGC.
21. Please elaborate on the assistance needed with year-end AJEs. How many audit AJEs were there for 2019?
- a. Finance staff will perform all year-end AJEs to facilitate closing fiscal year, but audit firm will perform any reclassification JE's along with conversions that are in accordance with GASB standards.
22. Please elaborate on the timeline for final fieldwork and submission of the report to the LGC.
- a. Is 10/31 submission expected going forward?
 - i. Yes, the 10/31 deadline is the expected submission of the audit report to the LGC.
 - b. When will you be available and ready for interim and final fieldwork?
 - i. The County has historically scheduled interim in early June along with final fieldwork in early August. The County wishes to keep this timeline to provide best opportunity for submission of a timely report.
23. Does the County track its capital assets within Munis?
- a. Currently the County tracks the capital assets in our legacy system, Central Square. We're currently working towards importing assets into Munis.

24. For the TDA & Airport:

- a. Please confirm that a separate report is NOT needed for either entity. I can see in the 2018 report that separate financials were not issued. Is that the same for 2019 and going forward?
 - i. Yes, separate financials were not issued for either of the discretely presented component units.
- b. I noticed that the fees for the airport are included in the County's fees for 2019 on the LGC's fee sheet. What was the portion of the County's fee for the airport audit?
 - i. Currently, audit fees are structured in a manner to reflect audit services rendered to the Airport. The finance department performs an allocation to expense Airport's portion of the audit fees.
- c. I cannot find any previous fee history (prior to 2019) on the LGC's fee sheet for either the TDA or the Airport. Can you provide info on this? Were fees for both component units included in the County's fees for 2018 and prior?
 - i. Currently, the audit fees are structured in a manner to reflect audit services rendered for both TDA and Airport. The finance department performs an allocation to expense their respective portion of the audit fees.

I have received Addendum No. 1 and am authorized to sign as proof of receipt.

Printed Name

Signed Name

Date